

27 July 2015

Ms Sophie Dunstone  
Committee Secretary  
Legal and Constitutional Affairs Reference Committee  
Po Box 6100  
Parliament House  
Canberra ACT 2600

Email: [legcon.sen@aph.gov.au](mailto:legcon.sen@aph.gov.au)

Dear Ms Dunstone,

### **Inquiry into the impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts**

Thank you for your letter dated 1st July inviting comment from the Local Government Association of Tasmania (LGAT) in relation to the Inquiry into the Impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts (the Inquiry). Local Government within Tasmania provides significant support to the arts sector and a number of councils have noted with interest and concern the recent shift of arts funding from the Australia Council to the new National Programme for Excellence in the Arts, to be administered by the Ministry for the Arts (the Ministry).

As this funding decision was only announced in May 2015 it is difficult to form an accurate view of the actual impacts of the changes at this point in time. Notwithstanding, our member councils have expressed considerable concern regarding the Commonwealth's decision and its potential future implications. Indicative of the unease within the sector, at its July General Meeting the LGAT was directed through a motion passed by members to make urgent approaches to the Australian Government to seek assurances that the recent federal funding changes to arts initiatives will not adversely impact upon or disadvantage key local arts groups from convening viable arts activities and events across the State.

It must be acknowledged that Local Government across Australia is a major contributor to the arts at a grass roots level. It often has a direct connection between the community and the arts organisations, providing not just cash but valuable 'in kind' support. It does so in many cases in collaboration with the other levels of government and the private sector. A key concern in relation to the changes to the previous funding model would be if these grass roots organisations were no longer funded by the Federal Government. It would simply make them unsustainable and Local Government would not be in the position to pick up the short-fall.

The announced reduction in funds to the Australia Council must result in a marked drop in support for individual artists and small to medium arts companies. Federal arts policy has

determined that major arts organisations are ring fenced from any funding cuts; it follows therefore that the Australia Council has no alternative but to significantly reduce funding to programs that support individual artists and small to medium arts companies.

For Tasmania this is a particularly concerning situation. Individual Tasmanian artists and small to medium Tasmanian arts companies form the foundation of what has been to date, a vibrant, diverse, economically, culturally and socially significant arts sector in this State. Of the 145 small to medium arts companies across the nation expected to be impacted by this decision, a number are Tasmanian-based companies, currently funded through the Australia Council. These include *Kickstart Arts* and *Terrapin Theatre*, based in the State's South; the *Burnie Regional Art Gallery* and *Arts and Function Centre* in the North West, and *Tasdance* in the North. These companies have made a sustained and valuable contribution to the State's cultural life over many years. It is feared that the reduction in funding to the Australia Council will reduce the level of grant assistance to small and medium organisation and ultimately cause them to stop operating.

The new fund will not be accessible to applications by individual artists. It is certainly unclear if Tasmania's small to medium companies will also be excluded from this new Fund; this is the core group of the arts community with whom Local Government engages and collaborates to deliver valuable programs for local communities.

It also appears from the draft Guidelines that Local Government may not be able to apply for funds from the National Program for Excellence in the Arts, as the sector could not be defined as having "as its principal purpose the arts." This seriously limits the capacity of councils and affiliated community arts organisations to initiate partnerships and bring together disparate groups of artists and communities to develop unique and local projects within our communities.

Of particular concern to a number of Tasmanian Councils is the suspension to the 6-year events funding model and the detrimental impact this will likely have on key events within the State, such as the Junction Arts Festival held in Launceston. If this funding stream ceases suddenly, Local Government will not be in a position to make up any potential shortfalls in funding, and arts organisations will not have the capacity at such short notice to find alternative funding streams. This will jeopardise the viability and sustainability of these events - even if there is an alternative future funding model suggested. There needs to be confidence provided to these organisations that any change in funding models will not immediately jeopardise their viability and sustainability.

Further apprehension has been expressed in relation to the possible impact of the Commonwealth's arts funding decisions on regional Australia. It is important that communities across Australia continue to have access to a diversity of quality arts and cultural experiences, and that there continues to be a viable and vibrant arts sector outside the major capital cities. Where transport, distance, time and cost is important, regional cultural production provides access and opportunity, often in areas where it is most needed.

As indicated in the opening paragraph of this correspondence, there are perceived detrimental impacts associated with the recent funding decisions. The LGAT has been advised by its members that there is a sense that arts sector as a whole has concerns regarding the fairness and openness of the Ministry-controlled grants funding (National Program of Excellence), compared to the 'arms-length' position of the Australia Council. It is important that perceptions and expectations are managed appropriately to ensure that fairness and equity are clearly present in the administration of any new funding program.

The Association acknowledges the Ministry's worthy objective in attempting to create a National Program of Excellence. However, there are genuine concerns held by Local Governments and the arts sector itself within Tasmania that the creation of the new funding program will adversely impact the level or programming available to the residents of Tasmania, and regional Australia in general.

The provision of access to a diversity of vibrant, quality arts and cultural experiences can only be achieved with all levels of government, business, communities and artists and arts organisations working together. Access to federal funding is a key component in achieving effective outcomes for the arts sector across regions and communities, and the Australia Council and the Commonwealth's previous funding stream model has historically played a crucial role in supporting smaller and medium arts organisations towards ongoing success.

The LGAT will continue to monitor the Inquiry and future progress of the new model on behalf of its member councils, and thanks the Committee again for this opportunity to provide comment. If you require clarification or additional information please feel free to contact Melanie Brown, Senior Policy Officer, on 03 6233 5961 or at [melanie.brown@lgat.tas.gov.au](mailto:melanie.brown@lgat.tas.gov.au).

Yours sincerely

Dr Katrena Stephenson  
**CHIEF EXECUTIVE OFFICER**